



# **Response to 2010 Review Draft Report:**

## **Schools Education**

**Department of Treasury and Finance**

**September 2009**

## **Tasmanian Position**

- Tasmania is generally supportive of the assessment methodology and data used by the Commission in its Draft Report assessment of School Education.
- Tasmania provided detailed comments and evidence to support particular arguments in its response to the Commission Position Paper. Those comments and evidence are not repeated here, but the Commission should refer to Tasmania's response to the Position Paper where it is necessary to review Tasmania's position on significant assessment issues.
- Tasmania agrees with the proposed use rate measures.
- We support the principle that actual enrolment rates in post-compulsory years contain some policy influence and, therefore, are not appropriate to use in the assessment.
- It is difficult to provide an informed position on the proposed size of the adjustment for post-compulsory use rates, given the complex econometric approach taken. As is the case with all econometric analysis that the Commission uses, Tasmania urges the Commission to act conservatively in applying the outcomes of econometric analyses to assessments.
- Tasmania agrees with the proposed methods to assess cost weights.
- Tasmania considers there is evidence, such as that provided in Tasmania's previous submission, that the cost-weight for low SES students could be higher than 1.06, particularly given the increasing focus and resources to be committed by governments over the Review period.
- Tasmania supports the use of SEIFA as a measure of SES. A SEIFA measure is consistent with how Tasmania (and a number of other jurisdictions, including the Commonwealth) allocates differential funding.
- Tasmania supports the assessment of location, service delivery scale, cross border and transport of school student disabilities as proposed by the Commission.

## **Other issues**

### *Measurement of Post-compulsory enrolments*

1. With regard to the application of the consultant's regression analysis to the measurement of assessed post-compulsory enrolments, Tasmania questions whether the Commission has considered whether there is a need to discount the outcome.
2. In general, with econometric analyses, there are usually data quality issues; some proportion of outcomes cannot be explained by the modelling; and econometric modelling is sensitive to the judgements of the particular econometrician.
3. As such, econometric measurement does not offer precision for use in distributing GST revenue and the Commission should, as a general assessment approach, consider whether discounts are necessary.
4. It may be the case that the Commission has considered the need for a discount for this particular assessment and found, in its view, that one is not needed. If this is the case, Tasmania would like to see an explanation of the Commission's decision in the Final Report.
5. If the Commission has not considered whether there is a need for a discount for this assessment, Tasmania urges the Commission to consider its position, together with other assessments where econometric analysis is relied upon, to ensure consistent judgement rules are used across assessments.

### *Non-government per student cost compared with government student costs*

6. Table 9-7 in the Draft Report shows the proportion of government school student funding provided to non-government students in each state, with a national average being derived from a straight average of each state's proportion. This means the small states provide the same contribution to the average as the larger states.
7. This approach seems inconsistent with the normal approach taken by the Commission, in which a weighted average would be used.

### *Student level*

8. Tasmania notes that the Commission does not intend to make a differential assessment for grade costs, as it considers such an assessment not to be material.
9. However, in our response to the Commission Position Paper, Tasmania noted that when combined, making an assessment for grade costs was material for the ACT.

10. We also pointed out that when materiality testing use rates in schools, the Commission (in the Position Paper) noted that assessing age use rates was not material, but when combined with indigeniety, age use rates became material, and as a result the Commission said it would assess the combined disability.
11. Tasmania, therefore, questions whether a consistent approach has been taken with regard to grade costs.